

# Issues & Recent Changes in Refunds under GST

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# Types of Refunds:

- A. Refund of **unutilized input tax credit (ITC)** on account of exports of **Goods and Services** without payment of tax [**Sec 54**]
- B. Refund of **tax paid on export of Goods** with payment of tax [**Sec 54**]
- C. Refund of **tax paid on export of Services** with payment of tax [**Sec 54**]
- D. Refund of unutilized ITC on account of supplies made to **SEZ Unit/SEZ Developer** without payment of tax [**Sec 54**]
- E. Refund of tax paid on supplies made to **SEZ Unit/SEZ Developer** with payment of tax [**Sec 54**]
- F. Refund of unutilized ITC on account of accumulation due to **Inverted Tax Structure** [**Sec 54**]
- G. Refund to **supplier** of tax paid on **deemed export supplies** [**Sec 148, NN 48-2017 CT**]
- H. Refund to **recipient** of tax paid on **deemed export supplies** [**Sec 148, NN 48-2017 CT**]
- I. Refund of **excess balance in the electronic cash ledger** [**Sec 54(1)**]
- J. Refund of **excess payment of tax** [**Sec 54**]
- K. Refund of tax paid on **intra-State supply** which is subsequently held to be **inter-State supply** and vice versa [**Sec 54(8)(d) & Sec 77**]
- L. Refund on account of assessment/provisional assessment/appeal/any other order
- M. Refund on account of “any other” ground or reason

# Things Related to GST Refund

- CGST Act, 2017 - Section 54, 56 & Relevant Definitions
- IGST Act, 2017 – Section 11,13,16 & Relevant Definitions [2(5) - Export of Goods, 2(6) - Export of Services, 2(14) - **location of the recipient of services**, 2(15) - **location of the supplier of services**.
- CGST Rules, 2017 – Rule 89 to Rule 97A along with Forms
- NN 05-2017 CT Rated Dated 28.06.2017 – Restriction on refund due to IDS for certain Products
- NN 15-2017 CT Rate Dated 28.06.2017 - Restriction on refund of Unutilized ITC incase of supply of Services of 5(b) of Sch II
- Circular 14-2017 Dated 06.11.2017 - Procedure regarding procurement of supplies of goods from DTA by Export Oriented Unit (EOU) etc.
- Circular 110-2019 Dated 03.10.2019 - If Application Filled for Refund NIL by mistake, then one may apply under Any Other Category.
- Circular 111-2019 Dated 03.20.2019 - Refund in RDF01 after favorable order in appeal
- Circular 125-2019 Dated 18.11.2019 - Fully electronic refund process through FORM GST RFD-01 [Master Circular]
- Circular 131-2020 Dated 23.01.2020 - Standard Operating Procedure (SOP) to be followed by exporters -reg.
- Circular 135-2020 Dated 31.03.2020 - Clarification on refund related issues [Read with Circular 125-2019]
- Circular 137-2020 Dated 13.04.2020 - Circular clarifying issues in respect of challenges faced in implementation of provisions of GST issued
- Circular 139-2020 Dated 10.06.2020 - ITC on Imports, ISD, RCM not to be matched with 2A
- Circular 147-2021 Dated 12.03.2021 – Clarification of taking ITC by Purchaser of Deemed export, Zero rated supply by mistake shown In 3.1(a) of GSTR-3B mistake allowed till 31-03-2021, Calculation of ATTO incase export value is more than 150% of domestic sale
- Circular 160-2021 Dated 20.09.2021 – if Export duty is NIL, refund is allowed
- Circular 161-2021 Dated 20.09.2021 - Clarification relating to export of services-condition (v) of section 2(6) of the IGST Act 2017
- DO NOT READ CIRCULARS 17-2017, 24-2017, 37-2017, 45-2018, 59-2018, 70-2018, 79-2018 & 94-2018 as these circulars are for older method of Refund i.e. RFD-01A

# Things Related to GST Refund

- Circular 162-2021 Dated 22.09.2021 - Clarification in respect of refund of tax specified in section 77(1) of the CGST Act
- Circular 166-2021 Dated 17.11.2021 - Clarification for refund related issued for cash ledger and deemed exports
- Circular 168-2021 Dated 30.12.2021 - Use ANY OTHER Category to file refund incase of Merger of Uts
- Circular 172-2022 Dated 06.07.2022 - Clarification for availing Restricted ITC by recipient of Deemed Export only for the purpose of taking Refund.
- Circular 173-2022 Dated 06.07.2022 – Clarification for Refund related issue for IDS Refund of same goods at same point of time due to concessional Rate.
- Circular 174-2022 Dated 06.07.2022 - Credit utilised for erroneous refund (which is paid back in cash), be recredited in PMT-03A
- Circular 175-2022 Dated 06.07.2022 - Manner of filing refund of unutilized ITC on account of export of electricity.
- Order 01-2022 Dated 21.07.2022 - Rule 96(4)(c) withheld of “with PAY IGST” Refund exercised and power given to DGRAM
- Circular 181-2022 Dated 10.11.2022 – Application of New Formula of IDS
- Instruction 04-2022 Dated 28.11.2022 - Manual Process for “With Pay Refund” at CGST JO for Risky Exporters
- Circular 188-2022 Dated 27.12.2022 - Prescribing manner of filing an application for refund by unregistered persons
- Circular 197-2023 Dated 17.07.2023 - FOB in Denominator, 2A replaced by 2B in Refund Application
- Circular 202-2023 Dated 27.10.2023 - Clarified that Indian Service Exporter receives payment In INR via Special Vostro Accounts will be considered as export of Services
- **DO NOT READ** CIRCULARS 17-2017, 24-2017, 37-2017, 45-2018, 59-2018, 70-2018, 79-2018 & 94-2018 as these circulars are for older method of Refund i.e. RFD-01A

Can Refund Be claimed at the time of Filing  
Annual Return OR At the time of Assessment?

**BIG NO!**

# With Payment of IGST Route only for POSITIVE LIST: Amendment in Section 16 of IGST Act

## **Section 16. Zero rated supply.-**

(1) "zero rated supply" means any of the following supplies of goods or services or both, namely: -

- (a) export of goods or services or both; or
- (b) supply of goods or services or both <sup>1</sup>[for authorised operations] to a Special Economic Zone developer or a Special Economic Zone unit.

(2) Subject to the provisions of sub-section (5) of section 17 of the Central Goods and Services Tax Act, credit of input tax may be availed for making zero-rated supplies, notwithstanding that such supply may be an exempt supply.

<sup>2</sup>[(3) A registered person making zero rated supply shall be eligible to claim refund of unutilised input tax credit on supply of goods or services or both, without payment of integrated tax, under bond or Letter of Undertaking, in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder, subject to such conditions, safeguards and procedure as may be prescribed:

**Provided** that the registered person making zero rated supply of goods shall, in case of non-realisation of sale proceeds, be liable to deposit the refund so received under this sub-section along with the applicable interest under section 50 of the Central Goods and Services Tax Act within thirty days after the expiry of the time limit prescribed under the Foreign Exchange Management Act, 1999 (42 of 1999.) for receipt of foreign exchange remittances, in such manner as may be prescribed.

(4) The Government may, on the recommendation of the Council, and subject to such conditions, safeguards and procedures, by notification, specify-

- (i) a class of persons who may make zero rated supply on payment of integrated tax and claim refund of the tax so paid;
- (ii) a class of goods or services which may be exported on payment of integrated tax and the supplier of such goods or services may claim the refund of tax so paid.]

# Export of Goods & Export of Services

- (5) "export of goods" with its grammatical variations and cognate expressions, means taking goods out of India to a place outside India;
- (6) "export of services" means the supply of any service when,-
  - (i) the supplier of service is located in India;
  - (ii) the recipient of service is located outside India;
  - (iii) the place of supply of service is outside India;
  - (iv) the payment for such service has been received by the supplier of service in convertible foreign exchange <sup>2</sup>[or in Indian rupees wherever permitted by the Reserve Bank of India]; and
  - (v) the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with *Explanation 1* in section 8;

# With Payment of IGST Route only for POSITIVE LIST: Amendment in Section 16 of IGST Act

- Export With Payment of IGST & Without Payment (LUT) are no more straight forward two options.
- “Class of Persons” , “Class of Goods or Services” is notified who may use the Route of With Payment of IGST while making Exports.
- Currently, Pan Masala, Tobacco & Essential Oils has been negatively restricted for this route
- Now such list can be amended any time, so One must be vigilant on tracking any change in such list
- DG Systems CBIC has made some changes in system of filling Shipping bill to restrict such refunds.
- Shipping bill contains multiple Line items, even one of them is falling in such restriction, the whole shipping bill will not be allowed to be filled



Can a Tax Payer use Any of the Export route, “With Payment of IGST” vis-à-vis “Without Payment of IGST (LUT)”, freely, Interchangeably, Anytime?

**BIG NO!**

# Decision Making Process While Selecting any of the Route for Refunds under Exports

# “With Pay IGST” V/s “Without Pay - LUT”

Particulars	With Payment of IGST	Without Payment of IGST
Filling Mechanism	<ul style="list-style-type: none"> <li>- Shipping bill it self is application</li> <li>- No separate Application is required</li> </ul>	<ul style="list-style-type: none"> <li>- Separate application to be filled within 2 years from the relevant date</li> <li>- Docs to be filled as per Rule 89(2) [Ref of Circular 125-2019]</li> </ul>
Who will process the refund?	- From the respective Custom Ports	- by the jurisdictional office of CGST / SGST
Refund Quantum?	Applicable Rate of GST to be applied on Value of export - that's refund amount	<ul style="list-style-type: none"> <li>- Formula under 89(4)</li> </ul> $\text{Refund Amount} = (\text{Turnover of zero-rated supply of goods} + \text{Turnover of zero-rated supply of services}) \times \text{Net ITC} \div \text{Adjusted Total Turnover}$
Automation?	Fully Automated from Day 1 [But Not for export of services, export to SEZ, and export form Non-EDI ports]	Fully Online but not Fully Automated [From 26th Nov 2019, previously it's semi online process]
ITC of Capital Goods Can be refunded?	No Such Restrictions	NO, Cant be refunded

# “With Pay IGST” V/s “Without Pay - LUT”

Particulars	With Payment of IGST	Without Payment of IGST
Inverted Duty Structure refund can be applied simultaneously?	NO	YES*
What if goods are subject to export duty?	Still can opt	Cant Opt
What if HIGHER Drawback in respect of Central Tax is claimed? [No Relevance after 01-10-2017]	Still can opt	Cant Opt
What if the exporter has received the Inputs under Deemed Export [NN 48/2017 CT]	Cant Opt	Still can opt, subject to Restrictions of Rule 89(4A) & 89(4B)
What if the exporter has received the Inputs under Concessional Rate @ 0.10%? [NN 40/2017 CT (Rate) & 41/2017 IT (Rate)]	Cant Opt	Still can opt, subject to Restrictions of Rule 89(4A) & 89(4B)
What if the exporter has availed the benefit of 78/2017-Customs, dated the 13th October, 2017 & 79/2017-Customs, dated the 13th October, 2017 [EPCG Schemes, Advance Authorisation etc]	Cant Opt, - Except when availed the benefit for Capital Goods - Except when benefit of only BCD has been taken]	Still can opt, subject to Restrictions of Rule 89(4A) & 89(4B)

# “With Pay IGST” V/s “Without Pay - LUT”

Particulars	With Payment of IGST	Without Payment of IGST
Can be opted for Every Supply of Goods and Services?	W.e.f. 01-10-2023, Only Notified Goods can be exported under this Route (Currently Pan Masala - Tobacco Product Restricted, Certain essential Oil Has been restricted)	Restriction for Refunds of unutilized ITC for Construction services as per NN 15-2017 CT Rate
Refund to be credited in which Bank account?	Registered with Respective Custom Ports [EDI sections]	Registered with GSTIN portal
What are the time limits to process both of the refunds?	After Filling GST Returns [3B & 1], Fillings by shipping line [Export General Manifest] & Transmission of refund by ICES to PFMS	After filling application, 90% within 7 days, rest of the 10% in 60 Days
What kind of errors/rejection we can find in both of the methods?	Refund status will shift to errors [SB001 to SB006 / TBE0001 to TBE0025]. After correcting such errors, refund will be processed	Yes, incase of any issue, deficiency memo in DRC-03 can be given and application to be filled again after correcting such error
Incase of With payment of IGST, from where can one Identity/Found the errors?	- GSTIN login - From Ice-Gate login - From respective Port's site	

# Restriction for Refund under LUT, when certain benefits are Taken – Rule 89(4A) & (4B)

Rule	Benefit Taken	Refund Restricted to
89(4A)	Supplies Received on which Supplier has taken the benefit of 48-2017 CT (Deemed Exports)	Other ITC availed for Inputs and Input Services USED in making such Zero Rated Supply
89(4B)	Supplies Received on which the Supplier has availed the benefit of 40-2017 CTR or 41-2017 ITR (0.10% Inputs)	Refund of Such 0.10% ITC + Refund of other Input and Input Services to the extent USED in Making such Export of Goods
89(4B)	When person Claiming the Refund has received the benefit of 78-2017 Cust or 79-2017 Cust (Procurement against AA / EPCG)	Refund of Such ITC availed for such Notifications + Refund of other Input and Input Services to the extent USED in Making such Export of Goods

# Restriction for Refund under “With Pay”, when certain benefits are Taken – Rule 96(10)

Rule	Benefit Taken	Refund Restricted to
96(10)	Received Supplies on which the benefit of 48-2017 CT (Deemed Exports) has been availed	Refund under With Pay of IGST Fully Restricted
	Received Supplies on which the benefit of 40-2017 CTR or 41-2017 ITR (0.10% Inputs) has been availed	Refund under With Pay of IGST Fully Restricted
	availed the benefit of 78-2017 Cust or 79-2017 Cust (Procurement against AA / EPCG)	Refund under With Pay of IGST Fully Restricted

\*Capital Goods procured against EPCG Licence will not attract above Restrictions

\*\*While taking the benefit, if Only BCD's exemption is availed and IGST has been paid, then such restrictions are not applicable

# Restriction for Refund under LUT, when certain benefits are Taken

- Why such Restrictions for Inputs of Deemed Exports?
- Why such Restrictions for 0.10% Inputs?
- Why such Restrictions for Procurement against AA or EPCG Licence?
- What's the Way out?
  - Invoice level Segregation – Possible?
  - FIFO?
  - Specific Raw Material for which benefit is taken (Out of Total Multiple RMs), ITC of such benefited RMs procured locally to be removed?



# With Payment of IGST – Process Flow with Issues

## SHIPPING BILL

- SB = Application for Refund
- Should be filled keeping Tax Invoice Copy handy
- DO NOT USE COMMERCIAL INVOICE
- IGST Value Should be Entered.

## GSTN

- GSTR-1
  - Inv No
  - Inv Date
  - SB No
  - SB Date
  - Taxable Value
  - IGST
- Should be in Sync with Shipping Bill

## GSTN

- GSTR-3B
- IGST Amount of Liability on Export With Payment of Tax as mentioned in GSTR-1 Should be discharged in Table 3.1 (b)

## TRANSMISSION OF INVOICES TO ICE-GATE

## Ice-Gate (Enquiry)


- A. GSTIN INQUIRY**
  - EGM has to be filled
- B. IGST VALIDATION INQUIRY**
  - Errors to be solved, if any from SB001 to SB006, SB101 to 104
- C. IGST SCROLL SANCTION STATUS**
  - TRANSMISSION OF Scroll (list of Refund) to PFMS for Refund disbursement

## PFMS

- Public Account Office will Disburse the Payment to Bank, upon receiving the Scroll.
- Errors relating to Bank Account Validation can be found at this stage

# With Payment of IGST – Process Flow with Issues

## ICE GATE – GSTIN INQUIRY

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GSTIN Number		Document Type	IEC		Exporter Name				
24[REDACTED]		GSN	[REDACTED]		[REDACTED]				
CHA number	Location Code	Shipping Bill Number	Shipping Bill Date	Invoice Number	Invoice Date	TAX Value	IGST Amount Paid	EGM Number	EGM Date
AADFO4509PCH002	INMUN1	96[REDACTED]	01-MAY-2023	EX/DTC/01/23-24	01-MAY-2023	1142856	57143	1064624	05-APR-23
AADFO4509PCH002	INMUN1	98[REDACTED]	06-MAY-2023	EX/KH/01/23-24	06-MAY-2023	292030	14601	1065694	03-MAY-23
AADFO4509PCH002	INMUN1	98[REDACTED]	09-MAY-2023	EX/YTE/03/23-24	09-MAY-2023	454054	22703	1066588	26-MAY-23
AADFO4509PCH002	INMUN1	98[REDACTED]	09-MAY-2023	EX/YTE/01/23-24	09-MAY-2023	869299	43465	1066588	26-MAY-23
AADFO4509PCH002	INMUN1	98[REDACTED]	09-MAY-2023	EX/YTE/02/23-24	09-MAY-2023	830491	41524	1066588	26-MAY-23

# With Payment of IGST – Process Flow with Issues

## ICE GATE – IGST Validation Details Inquiry

### IGST Validation Details Enquiry

GSTIN Number	Port Code
24 [REDACTED]	INMUN1

Shipping Bill Number	Shipping Bill Date	Return Month	Invoice Number	Invoice Date	Response Code	Processed On	Shipping Bill Type
99 [REDACTED]	12-05-2023	05-2023	EX/AB/01/23-24	12-05-2023	SB000	21-06-2023	ESB
96 [REDACTED]	01-05-2023	05-2023	EX/DTC/01/23-24	01-05-2023			
13 [REDACTED]	26-05-2023	05-2023	EX/H/09/23-24	26-05-2023			
13 [REDACTED]	27-05-2023	05-2023	EX/H/11/23-24	27-05-2023			
98 [REDACTED]	09-05-2023	05-2023	EX/YTE/03/23-24	09-05-2023			
10 [REDACTED]	15-05-2023	05-2023	EX/YEO/01/23-24	15-05-2023			
98 [REDACTED]	09-05-2023	05-2023	EX/YTE/01/23-24	09-05-2023			
98 [REDACTED]	09-05-2023	05-2023	EX/YTE/02/23-24	09-05-2023			
98 [REDACTED]	06-05-2023	05-2023	EX/KH/01/23-24	06-05-2023			

Response Code	Response Description
SB000	Successful
SB001	Invalid SB Details
SB002	EGM not filed for SB
SB003	Invalid GSTN Id
SB004	GSTR3 is already received
SB005	Invalid Invoice Number
SB006	Gateway EGM Details not available
SB101	Return month is not valid
SB102	Request type is not valid
SB104	Port code is not valid.

# With Payment of IGST – Process Flow with Issues

## ICE GATE – IGST Scroll Sanction Status

Note : The IGST scroll status at PFMS,PAO and Bank is available since 1 April 2018 onwards only



IEC Name - [REDACTED]

Location Name - MUNDRA SEA (INMUN1)

Report Generated From - 2023/05/01 To 2023/07/31

Report Generated On - 24/11/2023 01:12:53

S No.	Shipping Bill No.	Shipping Bill Date	IGST Scroll Number	IGST Scroll Date	Scroll Amount(INR)	Scroll Status		Bank Response Code	Bank Transaction ID	Bank Transaction Date
						At PFMS	At PAO			
1	10 [REDACTED]	2023-05-15	48873/2023	2023-06-23	71310	Response Awaited	Accepted	Success	5062302051025	2023-07-03 00:00:00.0

# With Payment of IGST Error Codes and Their Resolution

Error Code	Description	Solution
SB001	Invalid Shipping Bill Number	Rectify the SB Number in GSTR-1 Table 9A
SB002	EGM not filed	Exporter may approach the Shipping Lines to file the EGM immediately. "Revalidate EGM" option may be used by EGM Officer.
SB003	GSTIN mismatch	Exporter to Upload the Invoice in G1 of the Correct GSTIN (Incase of Multiple GSTIN for Single PAN)
SB004	Record already received	Same Invoice Uploaded again in G1. Need to Rectify, 2nd time refund not possible for same Invoice Number
SB005	Invalid Invoice Number	Rectify the SB Number in GSTR-1 Table 9A
SB006	Gateway EGM not available	In case of pending Gateway EGMs, Shipping Lines may be approached at gateway ports to file supplementary EGMs expeditiously
TBE0001 to TBE0025	PFMS Validation Errors Related to Bank Account	Approach EDI section at the gateway port Customs with correct account number, bank name and branch address, and IFSC code of the branch
	SB Declared as Without Pay	Amend the Shipping Bill (preferably before filling of EGM) or - Shift the SB to LUT Mode

# With Payment of IGST Other Issues

- Automated Refund BUT, Computer will not even tolerate Error of Dash / Space or Slash etc
- IGST Amount paid lesser in GST Returns vis-à-vis Shipping Bill
- Amount has been paid in Table 3.1(a) in GSTR-3B
- While filling the Shipping Bill, What if IGST Amount has been filled as Zero?

# With Payment of IGST

## Transfer of Application to Local JO (Risky Exporter)

- Instruction 04-2022 Prescribes the procedure
- The Refund of the Tax Payer Identified by DGRAM as risky exporter is to be transferred to local Jurisdictional officer and such Transfer is deemed to be RFD-01 Refund Application
- The JO will process such Refund Application as if it was filled by Tax Payer
- No Deficiency memo can be issued against such application
- JO will also give his feedback to DGRAMs for necessary action of Removal OR continuation of alert.

# Non Realization of Sale Proceeds - Amendment in Section 16 of IGST Act

- Proviso added in Section 16(3) to deposit the refund granted within 30 days from the time limit prescribed of realization of sale proceeds in FEMA.
- Rule 96B clarifies such refund is to be deposited only to the extent sale proceeds unrealized.
- Such refund is not required to be deposited back, if RBI Writes off such requirement of getting sale proceeds
- When such sale proceeds are realized [within extended period as per RBI], such deposited refund to be re-refunded. [if intimated within 3 months]



# Supply to SEZ “FOR AUTHORISED OPERATIONS” – Amendment in Section 16 of IGST Act

- Supply to SEZ Unit or Developer is now can be termed as “Zero Rated Supply” only if supplied **“FOR AUTHORISED OPERATIONS”**
- Previously it was required only while applying for refunds under Rule 89
- If Not for Authorised Operations, then it'll be Normal Supply, SEZ Unit can take the ITC.

# Supply to SEZ “FOR AUTHORISED OPERATIONS” – Amendment in Section 16 of IGST Act

- What are the Documentary Requirements?
  - In case of **Supply under LUT**, a Tax Invoice needed with LUT Number, LUT Date and the Following Note on Invoice:

"SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS UNDER BOND OR LETTER OF UNDERTAKING WITHOUT PAYMENT OF INTEGRATED TAX"


- In case of **Supply With payment of IGST**, a Tax Invoice is needed having following Note:

"SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS ON PAYMENT OF INTEGRATED TAX"

- Such Supply must be for “Authorised Operations”. “**Letter of Authorisation (LOA)**” of such SEZ unit is needed, with validity as on the date of Supply.

# Supply to SEZ “FOR AUTHORISED OPERATIONS” – Amendment in Section 16 of IGST Act

- What are the Documentary Requirements?
  - Each Tax Invoice issued to SEZ must be endorsed by **Specified Officer / Preventive officer of SEZ**. Such ENDORSEMENT can be obtained **MANUALLY** or Can be obtained **ONLINE** by the “SEZ Recipient”.
  - **Manual Tax Invoice Endorsement** for Supply of Goods / Services [Reference Images as below]:

	IGST GST COMPENSATION CESS @ ₹ 400 / M.T. ROUND OFF.		3,919.88 9,116.00 (-)0.48
Less :			

# Supply to SEZ “FOR AUTHORISED OPERATIONS” – Amendment in Section 16 of IGST Act

- What are the Documentary Requirements?
  - In case of **Online Tax Invoice Endorsement**, Supply of **GOODS** will get approval in “SEZ – DTA Procurement” Form. [Reference Images as below]

<b>SEZ – DTA Procurement</b>	
Original Page No. 1 / 1	
<p><b>Zero Rated Supply from GST Registered Unit under Bond or Letter of Undertaking to SEZ Unit / Developer without Payment of IGST</b>                      This is to declare that IGST / Compensation Cess has not been collected by DTA Supplier from SEZ Unit / Developer                      This is to declare that Goods being procured under this declaration are required exclusively for our Authorised Operations as permitted to us under our LOA and are therefore eligible for supply by the DTA Supplier as “Zero Rated Supplies” under provisions of Section 16 of IGST Act.</p>	
<b>General Details :</b>	

- In case of **Online Tax Invoice Endorsement**, Supply of **SERVICES** will get Approval in “DTA Service Procurement Form (DSPF)”. [Reference Images as below]

<b>DTA Service Procurement Form (DSPF)</b>		SEZOnline Request ID : 67[REDACTED]	Page : 1/3
<b>Request ID :</b>	67[REDACTED]	<b>Date of Submission :</b>	[REDACTED] 23
<b>Reporting Month :</b>	July	<b>Reporting Year :</b>	2023
<b>SEZ Center Details</b>		<b>SEZ Port Code :</b>	
<b>SEZ Name :</b>	Adani Ports and special Economic Zone	<b>GSTIN :</b>	24[REDACTED]
<b>SEZ Entity Details</b>		<b>PAN :</b>	[REDACTED]
<b>Name of the SEZ Entity :</b>	[REDACTED]	<b>LOA Number :</b>	AF[REDACTED]
<b>Address of the SEZ Entity :</b>	[REDACTED]	<b>LOA From Date :</b>	05/10/2022
<b>City/Town/Village :</b>	Mundra, Kutch-370421	<b>LOA Valid Upto Date :</b>	03/10/2024
<b>State :</b>	Gujarat	<b>LOA Type :</b>	Manufacturing
<b>PIN :</b>	370421		
<b>IE Code :</b>	[REDACTED]		

# Supply to SEZ “FOR AUTHORISED OPERATIONS” – Amendment in Section 16 of IGST Act

- What are the Documentary Requirements?
  - Upon receiving ONLINE endorsement, one can Verify it on: <https://sezonline-ndml.co.in/>
  - In Online Endorsement of Invoice, LOA can also be found.
  - Some of the SEZ Shifted to ONLINE Endorsement, while some are still doing MANUAL Endorsement

# Liberalisation in Restriction of Refund of Construction Services

- Previously, Refund of Unutilized ITC was restricted when the Supply is of Construction of Complex, Building, Civil Structure or part thereof.
- Wef 20-10-2023, via NN 15-2017 CT (R), such Restriction has been kept only to the extent when “Consideration Includes value of Land or undivided share of land”

**NOTIFICATION NO. 15/2017-CENTRAL TAX (RATE), DATED 28-6-2017**  
**AS AMENDED BY [NOTIFICATION NO. 15/2023-CENTRAL TAX \(RATE\), DATED 19-10-2023](#)**

In exercise of the powers conferred by sub-section (3) of section 54 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council hereby notifies that no refund of unutilised input tax credit shall be allowed under sub-section (3) of section 54 of the said Central Goods and Services Tax Act, in case of supply of services <sup>1</sup>*[of construction of a complex, building or a part thereof, intended for sale to a buyer, wholly or partly, where the amount charged from the recipient of service includes the value of land or undivided share of land, as the case may be, except where the entire consideration has been received after issuance of completion certificate , where required , by the competent authority or after its first occupation , whichever is earlier].*

# Limitation of Period Extended Due to COVID

## NN 13-2022 CT Dated 05-07-2022

- While Computing period of limitation, A period between 01-03-2020 to 28-02-2022 shall be excluded
- Even if Single day falls in this period, minimum extension to the date 01-03-2022. Maximum relief in any situation can be till 28-02-2024
- Limitation to be calculated w.r.t. relevant date, and not Return filling Date. For a single period, different SBs may have different “relevant date” (eg, incase by ship, such ship leaves india)

# Clarification on refund-related issues Circular 197-2023



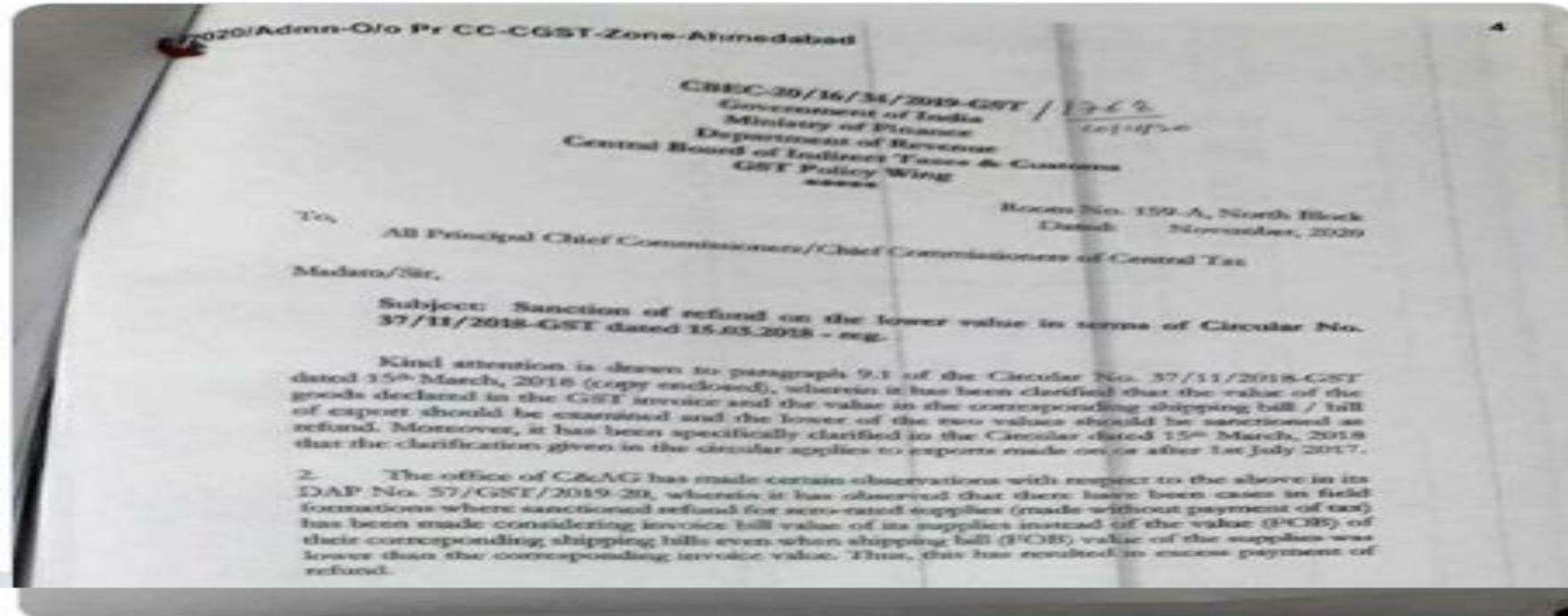
CA. Deep Koradia  
@DEEPKORADIA

...

There is no where in the entire GST law or rules been mentioned to sanction the refund based on FOB value.

Valuation under GST is transaction value, not FOB. The in bracket (FOB) has been added arbitrarily in this circular.

[@cbic\\_india](#) [@GST\\_Council](#) [@FinMinIndia](#) [@cgstahmedzone](#)



10:41 PM - Sep 7, 2021



# Clarification on refund-related issues

## Circular 197-2023



CA. Deep Koradia  
@DEEPKORADIA

...

Wef 05-07-22, while calculating Refund, one explanation has been added as "FOB Value" to be considered while taking the value of EXPORTED Goods.

CAN THE FOB ALSO TO BE TAKEN IN DENOMINATOR?

Eg.  
Exp 100  
FOB 80  
ITC 1000

[Note: Circ 147-2021 says so for 150% value restriction]

**Yes [1000\*80/80] = 1000**

**75%**

No [1000\*80/100] = 800

25%

12 votes · Final results

1:31 PM · Dec 11, 2022

# Clarification on refund-related issues

## Circular 197-2023

- FOB Vs CIF – FOB in Denominator
- GSTR-2B is to be given with Refund Application, instead of GSTR-2A
- Any Application prior to 01-01-2022? – Still 2A can be uploaded
- Incase of late receipt of Foreign Convertible Currency – Refund of ITC as well as Tax paid
- Change in Declaration u/s 16(2)(c)

## Export of Services – Payment Received in INR From Special Rupee Vostro Account – Circular 202-2023 Dated 27-10-2023

- One of the Five Conditions for considering something as “Export of Services” is : Getting Payment in *Convertible Foreign Exchange* OR in *INR When Permitted by RBI*
- Recently, RBI has permitted such receipt by Indian Exporter in INR ONLY WHEN Received from DESIGNATED VOSTRO ACCOUNT of CORRESPONDENT BANK of PARTNER COUNTRY maintained in AD BANK of INDIA.
- If Received via such arrangements, it’ll be eligible to classify as “Export of Service” and refund can be sought.

# Thank You!